

# Alliance for a Prosperous North Carolina

Members of the North Carolina General Assembly,

We are representatives of communities across the entire state, from the mountains to the Piedmont to the coast. Our communities are small and large, rural, suburban and urban. We are business owners, managers and elected officials of local governments as well as chamber of commerce staffs. On the attachment you will see the organizations that have come together in this communication.

We share a common concern. We have concerns about how proposals to change the distribution of sales tax revenues will harm our communities and our state.

We are concerned because a change in the formula would immediately impact current revenues. Those communities in our state are creating and retaining jobs and must continue investing in ways that maintain our competitiveness. Property taxes will have to be raised to pay for infrastructure investments already made, threatening our continued economic growth.

We are concerned because a change in the formula would impact revenues over time. Those communities might see an immediate increase in revenues but any future growth in revenue collections might result in them ultimately losing revenue. These growing communities will not receive the revenue to support the increasing demands on local services.

We are concerned because the proposals will increase our revenues only if citizens approve a referendum to increase local option sales taxes. This is an unrealistic assumption in most of our communities. If the electorate doesn't support the tax increase, those communities will ultimately lose revenue and they will fall further behind.

We are concerned because a change in the formula would have a negative impact on bond ratings for cities and counties by making it more difficult to meet certain rating criteria. In addition, many communities have issued Special Obligation Bonds pledging all or part of the Local Option Sales Taxes. Redistribution of sales tax could cause higher interest rates.

We are concerned because a change in the formula could negatively affect the attraction of economic development prospects due to already higher-than-average costs of housing in many of the affected counties. Having to increase property taxes

to compensate for the shifting sales taxes will place us at a further disadvantage, harming the jobs market for entire regions.

We are concerned with the overall growth and vitality of the State of North Carolina. Many individuals commute into high growth regions for jobs while having the option to live in a more rural setting. We believe offering current and future citizens choices about where to live and work is best for the state. We believe investing in infrastructure that allows for regional economies rather than county-oriented economies is best for the state.

As you begin the negotiations regarding the sales tax redistribution proposals, we urge you to reconsider the ramifications of redistributing sales tax revenues. Ultimately, we ask that you oppose any proposal to redistribute sales tax revenues.

Signed,

Alamance County Commission Chair

Asheville Area Chamber of Commerce

Asheville Downtown Association

Atlantic Realty, Inc.

Beach Painting Contractors

Bell Pride, LLC

Blowing Rock Chamber of Commerce

Boone Area Chamber of Commerce

Brindley Beach Vacations

Brunswick County Commission Chair

Brunswick County Chamber of Commerce

Cabarrus County

Cabarrus Regional Chamber of Commerce

Cahoon & Kasten Architects

Carteret County Chamber of Commerce

Catawba County

Catawba County Chamber of Commerce

Chapel Hill-Carrboro Chamber of Commerce

Charlotte Chamber of Commerce

City of Asheville

City of Claremont

City of Concord

City of Conover

City of Durham

City of Greensboro

City of Hickory

City of Newton

City of Wilmington

Coastal Beverage of Elizabeth City

Coastal Carolina Water

Currituck Chamber of Commerce

Dare County

Dare County Sheriff's Office  
Goldsmith Molis & Gray, PLLC  
Greater Durham Chamber of Commerce  
Greater Raleigh Chamber  
High Cotton, Inc.  
Highlands  
Highlands Area Chamber of Commerce  
Inn at Corolla Light  
Iredell County  
Iredell County Republican Party  
Jackson County Commission Chair  
Jim Brown  
Kitty Hawk Kites  
Lake Norman Chamber of Commerce  
Lorrie Love  
M.E. Gray Broker  
Mecklenburg Board of County  
Commissioners  
 Mooresville City  
 Mooresville-South Iredell Chamber of  
Commerce  
MountainTrue  
Nancy Griffin  
New Hanover Commission Chair  
North Brunswick Chamber of Commerce  
North Carolina Watermen United  
(NCWU)

Ocean Blvd Bistro & Martini Bar  
Outer Banks Chamber of Commerce  
Outer Banks Inn/Colonial Inn  
Outer Banks Popcorn Shoppe  
Owens Restaurant & Motel  
Phoenix Restoration  
Pleasure Island Chamber of Commerce  
Roanoke Island Animal Clinic  
Seaside Art Gallery  
Skyrunner, Inc.  
Sleeping Inn LTD  
Statesville City  
Sun Realty  
Surry County Commission  
Susie Sullivan, Realtor with Sun Realty  
Swain County Chamber/Great Smokies  
Chamber of Commerce  
The Greater Statesville Chamber of  
Commerce  
The Outer Banks Hospital  
The Pool Guy  
Town of Biltmore Forest  
Town of Chapel Hill  
Town of Maiden  
Town of Montreat  
Town of Nags Head

Town of Shallotte

Town of Troutman

Town of Woodfin

Tranzon for Auctions

Trio Wine, Beer & Cheese

Wake County Commission Chair

Wilmington Chamber of Commerce

Wrightsville Beach Chamber of  
Commerce